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## SOME NEGLECTED POINTS IN THE THEORY OF SOCIALISM.

The immediate occasion for the writing of this paper was given by the publication of Mr. Spencer's essay, "From Freedom to Bondage";\* although it is not altogether a criticism of that essay. It is not my purpose to controvert the position taken by Mr. Spencer as regards the present feasibility of any socialist scheme. The paper is mainly a suggestion, offered in the spirit of the disciple, with respect to a point not adequately covered by Mr. Spencer's discussion, and which has received but very scanty attention at the hands of any other writer on either side of the socialist controversy. This main point is as to an economic ground, as a matter of fact, for the existing unrest that finds expression in the demands of socialist agitators.

I quote from Mr. Spencer's essay a sentence which does fair justice, so far as it goes, to the position taken by agitators: "In presence of obvious improvements, joined with that increase of longevity, which even alone yields conclusive proof of general amelioration, it is proclaimed, with increasing vehemence, that things are so bad that society must be pulled to pieces and reorganized on another plan." The most obtrusive feature of the change demanded by the advocates of socialism is governmental control of the industrial activities of society—the nationalization of industry. There is also, just at present, a distinct movement in practice, towards a more extended control of industry by the government, as Mr. Spencer has pointed out. This movement strengthens the position of the advocates of a complete nationalization of industry, by making it appear that the logic of events is on their side.

In America at least, this movement in the direction of a broader assertion of the paramount claims of the community,

\* Introductory paper of "A Plea for Liberty"; edited by Thomas Mackay.

and an extension of corporate action on part of the community in industrial matters, has not generally been connected with or based on an adherence to socialistic dogmas. This is perhaps truer of the recent past than of the immediate present. The motive of the movement has been, in large part, the expediency of each particular step taken. Municipal supervision, and, possibly, complete municipal control, has come to be a necessity in the case of such industries—mostly of recent growth—as elementary education, street-lighting, water-supply, etc. Opinions differ widely as to how far the community should take into its own hands such industries as concern the common welfare, but the growth of sentiment may fairly be said to favor a wider scope of governmental control.

But the necessity of some supervision in the interest of the public extends to industries which are not simply of municipal importance. The modern development of industry and of the industrial organization of society makes it increasingly necessary that certain industries—often spoken of as “natural monopolies”—should be treated as being of a semi-public character. And through the action of the same forces a constantly increasing number of occupations are developing into the form of “natural monopolies.”

The motive of the movement towards corporate action on the part of the community—State control of industry—has been largely that of industrial expediency. But another motive has gone with this one, and has grown more prominent as the popular demands in this direction have gathered wider support and taken more definite form. The injustice, the inequality, of the existing system, so far as concerns these natural monopolies especially, are made much of. There is a distinct unrest abroad, a discontent with things as they are, and the cry of injustice is the expression of this more or less widely prevalent discontent. This discontent is the truly socialistic element in the situation.

It is easy to make too much of this popular unrest. The clamor of the agitators might be taken to indicate a wider prevalence and a greater acuteness of popular discontent than actually exists; but after all due allowance is made for exag-

geration on the part of those interested in the agitation, there can still be no doubt of the presence of a chronic feeling of dissatisfaction with the working of the existing industrial system, and a growth of popular sentiment in favor of a leveling policy. The economic ground of this popular feeling must be found, if we wish to understand the significance, for our industrial system, of the movement to which it supplies the motive. If its causes shall appear to be of a transient character, there is little reason to apprehend a permanent or radical change of our industrial system as the outcome of the agitation ; while if this popular sentiment is found to be the outgrowth of any of the essential features of the existing social system, the chances of its ultimately working a radical change in the system will be much greater.

The explanation offered by Mr. Spencer, that the popular unrest is due essentially to a feeling of *ennui*—to a desire for a change of posture on part of the social body, is assuredly not to be summarily rejected; but the analogy will hardly serve to explain the sentiment away. This may be a cause, but it can hardly be accepted as a sufficient cause.

Socialist agitators urge that the existing system is necessarily wasteful and industrially inefficient. That may be granted, but it does not serve to explain the popular discontent, because the popular opinion, in which the discontent resides, does notoriously not favor that view. They further urge that the existing system is unjust, in that it gives an advantage to one man over another. That contention may also be true, but it is in itself no explanation, for it is true only if it be granted that the institutions which make this advantage of one man over another possible are unjust, and that is begging the question. This last contention is, however, not so far out of line with popular sentiment. The advantage complained of lies, under modern conditions, in the possession of property, and there is a feeling abroad that the existing order of things affords an undue advantage to property, especially to owners of property whose possessions rise much above a certain rather indefinite average. This feeling of injured justice is not al-

ways distinguishable from envy ; but it is, at any rate, a factor that works towards a leveling policy. With it goes a feeling of slighted manhood, which works in the same direction. Both these elements are to a great extent of a subjective origin. They express themselves in the general, objective form, but it is safe to say that on the average they spring from a consciousness of disadvantage and slight suffered by the person expressing them, and by persons whom he classes with himself. No flippancy is intended in saying that the rich are not so generally alive to the necessity of any leveling policy as are people of slender means. Any question as to the legitimacy of the dissatisfaction, on moral grounds, or even on grounds of expediency, is not very much to the point ; the question is as to its scope and its chances of persistence.

The modern industrial system is based on the institution of private property under free competition, and it cannot be claimed that these institutions have heretofore worked to the detriment of the material interests of the average member of society. The ground of discontent cannot lie in a disadvantageous comparison of the present with the past, so far as material interests are concerned. It is notorious, and, practically, none of the agitators deny, that the system of industrial competition, based on private property, has brought about, or has at least co-existed with, the most rapid advance in average wealth and industrial efficiency that the world has seen. Especially can it fairly be claimed that the result of the last few decades of our industrial development has been to increase greatly the creature comforts within the reach of the average human being. And, decidedly, the result has been an amelioration of the lot of the less favored in a relatively greater degree than that of those economically more fortunate. The claim that the system of competition has proved itself an engine for making the rich richer and the poor poorer has the fascination of epigram ; but if its meaning is that the lot of the average, of the masses of humanity in civilized life, is worse to-day, as measured in the means of livelihood, than it was twenty, or fifty, or a hundred years

ago, then it is farcical. The cause of discontent must be sought elsewhere than in any increased difficulty in obtaining the means of subsistence or of comfort. But there is a sense in which the aphorism is true, and in it lies at least a partial explanation of the unrest which our conservative people so greatly deprecate. The existing system has not made, and does not tend to make, the industrious poor poorer as measured absolutely in means of livelihood ; but it does tend to make them relatively poorer, in their own eyes, as measured in terms of comparative economic importance, and, curious as it may seem at first sight, that is what seems to count. It is not the abjectly poor that are oftenest heard protesting ; and when a protest is heard in their behalf it is through spokesmen who are from outside their own class, and who are not delegated to speak for them. They are not a negligible element in the situation, but the unrest which is ground for solicitude does not owe its importance to them. The protest comes from those who do not habitually, or of necessity, suffer physical privation. The qualification "of necessity," is to be noticed. There is a not inconsiderable amount of physical privation suffered by many people in this country, which is not physically necessary. The cause is very often that what might be the means of comfort is diverted to the purpose of maintaining a decent appearance, or even a show of luxury.

Man as we find him to-day has much regard to his good fame—to his standing in the esteem of his fellow-men. This characteristic he always has had, and no doubt always will have. This regard for reputation may take the noble form of a striving after a good name ; but the existing organization of society does not in any way pre-eminently foster that line of development. Regard for one's reputation means, in the average of cases, emulation. It is a striving to be, and more immediately to be thought to be, better than one's neighbor. Now, modern society, the society in which competition without prescription is predominant, is pre-eminently an industrial, economic society, and it is industrial—economic—excellence that most readily attracts the approving regard of that society.

Integrity and personal worth will, of course, count for something, now as always ; but in the case of a person of moderate pretensions and opportunities, such as the average of us are, one's reputation for excellence in this direction does not penetrate far enough into the very wide environment to which a person is exposed in modern society to satisfy even a very modest craving for respectability. To sustain one's dignity—and to sustain one's self-respect—under the eyes of people who are not socially one's immediate neighbors, it is necessary to display the token of economic worth, which practically coincides pretty closely with economic success. A person may be well-born and virtuous, but those attributes will not bring respect to the bearer from people who are not aware of his possessing them, and these are ninety-nine out of every one hundred that one meets. Conversely, by the way, knavery and vulgarity in any person are not reprobated by people who know nothing of the person's shortcomings in those respects.

In our fundamentally industrial society a person should be economically successful, if he would enjoy the esteem of his fellowmen. When we say that a man is "worth" so many dollars, the expression does not convey the idea that moral or other personal excellence is to be measured in terms of money, but it does very distinctly convey the idea that the fact of his possessing many dollars is very much to his credit. And, except in cases of extraordinary excellence, efficiency in any direction which is not immediately of industrial importance, and does not redound to a person's economic benefit, is not of great value as a means of respectability. Economic success is in our day the most widely accepted as well as the most readily ascertainable measure of esteem. All this will hold with still greater force of a generation which is born into a world already encrusted with this habit of a mind.

But there is a further, secondary stage in the development of this economic emulation. It is not enough to possess the talisman of industrial success. In order that it may mend one's good fame efficiently, it is necessary to display it. One does not "make much of a showing" in the eyes of the large

majority of the people whom one meets with, except by unremitting demonstration of ability to pay. That is practically the only means which the average of us have of impressing our respectability on the many to whom we are personally unknown, but whose transient good opinion we would so gladly enjoy. So it comes about that the appearance of success is very much to be desired, and is even in many cases preferred to the substance. We all know how nearly indispensable it is to afford whatever expenditure other people with whom we class ourselves can afford, and also that it is desirable to afford a little something more than others.

This element of human nature has much to do with the "standard of living." And it is of a very elastic nature, capable of an indefinite extension. After making proper allowance for individual exceptions and for the action of prudential restraints, it may be said, in a general way, that this emulation in expenditure stands ever ready to absorb any margin of income that remains after ordinary physical wants and comforts have been provided for, and, further, that it presently becomes as hard to give up that part of one's habitual "standard of living" which is due to the struggle for respectability, as it is to give up many physical comforts. In a general way, the need of expenditure in this direction grows as fast as the means of satisfying it, and, in the long run, a large expenditure comes no nearer satisfying the desire than a smaller one.

It comes about through the working of this principle that even the creature comforts, which are in themselves desirable, and, it may even be, requisite to a life on a passably satisfactory plane, acquire a value as a means of respectability quite independent of, and out of proportion to, their simple utility as a means of livelihood. As we are all aware, the chief element of value in many articles of apparel is not their efficiency for protecting the body, but for protecting the wearer's respectability; and that not only in the eyes of one's neighbors but even in one's own eyes. Indeed, it happens not very rarely that a person chooses to go ill-clad in order to be well dressed.



Much more than half the value of what is worn by the American people may confidently be put down to the element of "dress," rather than to that of "clothing." And the chief motive of dress is emulation—what I have ventured to designate as "economic emulation." The like is true, though perhaps in a less degree, of what goes to food and shelter.

This misdirection of effort through the cravings of human vanity is of course not anything new, nor is "economic emulation" a modern fact. The modern system of industry has not invented emulation, nor has even this particular form of emulation originated under that system. But the system of free competition has accentuated this form of emulation, both by exalting the industrial activity of man above the rank which it held under more primitive forms of social organization, and by in great measure cutting off other forms of emulation from the chance of efficiently ministering to the craving for a good fame. Speaking generally and from the standpoint of the average man, the modern industrial organization of society has practically narrowed the scope of emulation to this one line ; and at the same time it has made the means of sustenance and comfort so much easier to obtain as very materially to widen the margin of human exertion that can be devoted to purposes of emulation. Further, by increasing the freedom of movement of the individual and widening the environment to which the individual is exposed—increasing the number of persons before whose eyes each one carries on his life, and, *pari passu*, decreasing the chances which such persons have of awarding their esteem on any other basis than that of immediate appearances, it has increased the relative efficiency of the economic means of winning respect through a show of expenditure for personal comforts.

It is not probable that further advance in the same direction will lead to a different result in the immediate future ; and it is the *immediate* future we have to deal with. A further advance in the efficiency of our industry, and a further widening of the human environment to which the individual is exposed, should logically render emulation in this direction more intense. There

are, indeed, certain considerations to be set off against this tendency, but they are mostly factors of slow action, and are hardly of sufficient consequence to reverse the general rule. On the whole, other things remaining the same, it must be admitted that, within wide limits, the easier the conditions of physical life for modern civilized man become, and the wider the horizon of each and the extent of the personal contact of each with his fellowmen, and the greater the opportunity of each to compare notes with his fellows, the greater will be the preponderance of economic success as a means of emulation, and the greater the straining after economic respectability. Inasmuch as the aim of emulation is not any absolute degree of comfort or of excellence, no advance in the average well-being of the community can end the struggle or lessen the strain. A general amelioration cannot quiet the unrest whose source is the craving of everybody to compare favorably with his neighbor.

Human nature being what it is, the struggle of each to possess more than his neighbor is inseparable from the institution of private property. And also, human nature being what it is, one who possesses less will, on the average, be jealous of the one who possesses more ; and "more" means not more than the average share, but more than the share of the person who makes the comparison. The criterion of complacency is, largely, the *de facto* possession or enjoyment ; and the present growth of sentiment among the body of the people—who possess less—favors, in a vague way, a readjustment adverse to the interests of those who possess more, and adverse to the possibility of legitimately possessing or enjoying "more ;" that is to say, the growth of sentiment favors a socialistic movement. The outcome of modern industrial development has been, so far as concerns the present purpose, to intensify emulation and the jealousy that goes with emulation, and to focus the emulation and the jealousy on the possession and enjoyment of material goods. The ground of the unrest with which we are concerned is, very largely, jealousy,—envy, if you choose ; and the ground of this particular form of jealousy, that makes for

socialism, is to be found in the institution of private property. With private property, under modern conditions, this jealousy and unrest are unavoidable.

The corner-stone of the modern industrial system is the institution of private property. That institution is also the objective point of all attacks upon the existing system of competitive industry, whether open or covert, whether directed against the system as a whole or against any special feature of it. It is, moreover, the ultimate ground—and, under modern conditions, necessarily so—of the unrest and discontent whose proximate cause is the struggle for economic respectability. The inference seems to be that, human nature being what it is, there can be no peace from this—it must be admitted—ignoble form of emulation, or from the discontent that goes with it, this side of the abolition of private property. Whether a larger measure of peace is in store for us after that event shall have come to pass, is of course not a matter to be counted on, nor is the question immediately to the point.

This economic emulation is of course not the sole motive, nor the most important feature, of modern industrial life; although it is in the foreground, and it pervades the structure of modern society more thoroughly perhaps than any other equally powerful moral factor. It would be rash to predict that socialism will be the inevitable outcome of a continued development of this emulation and the discontent which it fosters, and it is by no means the purpose of this paper to insist on such an inference. The most that can be claimed is that this emulation is one of the causes, if not the chief cause, of the existing unrest and dissatisfaction with things as they are; that this unrest is inseparable from the existing system of industrial organization; and that the growth of popular sentiment under the influence of these conditions is necessarily adverse to the institution of private property, and therefore adverse to the existing industrial system of free competition.

The emulation to which attention has been called in the preceding section of this paper is not only a fact of importance to an understanding of the unrest that is urging us towards an

untried path in social development, but it has also a bearing on the question of the practicability of any scheme for the complete nationalization of industry. Modern industry has developed to such a degree of efficiency as to make the struggle for subsistence alone, under average conditions, relatively easy, a compared with the state of the case a few generations ago. As I have labored to show, the modern competitive system has at the same time given the spirit of emulation such a direction that the attainment of subsistence and comfort no longer fixes, even approximately, the limit of the required aggregate labor on the part of the community. Under modern conditions the struggle for existence has, in a very appreciable degree, been transformed into a struggle to keep up appearances. The ultimate ground of this struggle to keep up appearances by otherwise unnecessary expenditure, is the institution of private property. Under a régime which should allow no inequality of acquisition or of income, this form of emulation, which is due to the possibility of such inequality, would also tend to become obsolete. With the abolition of private property, the characteristic of human nature which now finds its exercise in this form of emulation, should logically find exercise in other, perhaps nobler and socially more serviceable, activities; it is at any rate not easy to imagine it running into any line of action more futile or less worthy of human effort.

Supposing the standard of comfort of the community to remain approximately at its present average, the abolition of the struggle to keep up economic appearances would very considerably lessen the aggregate amount of labor required for the support of the community. How great a saving of labor might be effected is not easy to say. I believe it is within the mark to suppose that the struggle to keep up appearances is chargeable, directly and indirectly, with one-half the aggregate labor, and abstinence from labor—for the standard of respectability requires us to shun labor as well as to enjoy the fruits of it—on part of the American people. This does not mean that the same community, under a system not allowing private property, could make its way with half the labor

we now put forth ; but it means something more or less nearly approaching that. Anyone who has not seen our modern social life from this point of view will find the claim absurdly extravagant, but the startling character of the proposition will wear off with longer and closer attention to this aspect of the facts of everyday life. But the question of the exact amount of waste due to this factor is immaterial. It will not be denied that it is a fact of considerable magnitude, and that is all that the argument requires.

It is accordingly competent for the advocates of the nationalization of industry and property to claim that even if their scheme of organization should prove less effective for production of goods than the present, as measured absolutely in terms of the aggregate output of our industry, yet the community might readily be maintained at the present average standard of comfort. The required aggregate output of the nation's industry would be considerably less than at present, and there would therefore be less necessity for that close and strenuous industrial organization and discipline of the members of society under the new régime, whose evils unfriendly critics are apt to magnify. The chances of practicability for the scheme should logically be considerably increased by this lessening of the necessity for severe application. The less irksome and exacting the new régime, the less chance of a reversion to the earlier system.

Under such a social order, where common labor would no longer be a mark of peculiar economic necessity and consequent low economic rank on part of the laborer, it is even conceivable that labor might practically come to assume that character of nobility in the eyes of society at large, which it now sometimes assumes in the speculations of the well-to-do, in their complacent moods. Much has sometimes been made of this possibility by socialist speculators, but the inference has something of a utopian look, and no one, certainly, is entitled to build institutions for the coming social order on this dubious ground.

What there seems to be ground for claiming is that a society

which has reached our present degree of industrial efficiency would not go into the Socialist or Nationalist state with as many chances of failure as a community whose industrial development is still at the stage at which strenuous labor on the part of nearly all members is barely sufficient to make both ends meet.

In Mr. Spencer's essay, in conformity with the line of argument of his "Principles of Sociology," it is pointed out that, as the result of constantly operative social forces, all social systems, as regards the form of organization, fall into the one or the other of Sir Henry Maine's two classes—the system of status or the system of contract. In accordance with this generalization it is concluded that whenever the modern system of contract or free competition shall be displaced, it will necessarily be replaced by the only other known system—that of status; the type of which is the military organization, or, also, a hierarchy, or a bureaucracy. It is something after the fashion of the industrial organization of ancient Peru that Mr. Spencer pictures as the inevitable sequel of the demise of the existing competitive system. Voluntary coöperation can be replaced only by compulsory coöperation, which is identified with the system of status and defined as the subjection of man to his fellow-man.

Now, at least as a matter of speculation, this is not the only alternative. These two systems, of status, or prescription, and of contract, or competition, have divided the field of social organization between them in some proportion or other in the past. Mr. Spencer has shown that, very generally, where human progress in its advanced stages has worked towards the amelioration of the lot of the average member of society, the movement has been away from the system of status and towards the system of contract. But there is at least one, if not more than one exception to the rule, as concerns the recent past. The latest development of the industrial organization among civilized nations—perhaps in an especial degree in the case of the American people—has not been entirely a continuation of the approach to a régime of free contract. It is also,

to say the least, very doubtful if the movement has been towards a régime of status, in the sense in which Sir Henry Maine uses the term. This is especially evident in the case of the great industries which we call "natural monopolies;" and it is to be added that the present tendency is for a continually increasing proportion of the industrial activities of the community to fall into the category of "natural monopolies." No revolution has been achieved; the system of competition has not been discarded, but the course of industrial development is not in the direction of an extension of that system at all points; nor does the principle of status always replace that of competition wherever the latter fails.

The classification of methods of social organization under the two heads of status or of contract, is not logically exhaustive. There is nothing in the meaning of the terms employed which will compel us to say that whenever man escapes from the control of his fellow man, under a system of status, he thereby falls into a system of free contract. There is a conceivable escape from the dilemma, and it is this conceivable, though perhaps impracticable, escape from both these systems that the socialist agitator wishes to effect. An acquaintance with the aims and position of the more advanced and consistent advocates of a new departure leaves no doubt but that the principles of contract and of status, both, are in substance familiar to their thoughts—though often in a vague and inadequate form—and that they distinctly repudiate both. This is perhaps less true of those who take the socialist position mainly on ethical grounds.

As bearing on this point it may be remarked that while the industrial system, in the case of all communities with whose history we are acquainted, has always in the past been organized according to a scheme of status or of contract, or of the two combined in some proportion, yet the social organization has not in all cases developed along the same lines, so far as concerns such social functions as are not primarily industrial. Especially is this true of the later stages in the development of those communities whose institutions we are

accustomed to contemplate with the most complacency, *e.g.*, the case of the English-speaking peoples. The whole system of modern constitutional government in its latest developed forms, in theory at least, and, in a measure, in practice, does not fall under the head of either contract or status. It is the analogy of modern constitutional government through an impersonal law and impersonal institutions, that comes nearest doing justice to the vague notions of our socialist propagandists. It is true, some of the most noted among them are fond of the analogy of the military organization, as a striking illustration of one feature of the system they advocate, but that must after all be taken as an *obiter dictum*.

Further, as to the manner of the evolution of existing institutions and their relation to the two systems spoken of. So far as concerns the communities which have figured largely in the civilized world, the political organization has had its origin in a military system of government. So, also, has the industrial organization. But while the development of industry, during its gradual escape from the military system of status, has been, at least until lately, in the direction of a system of free contract, the development of the political organization, so far as it has escaped from the régime of status, has not been in that direction. The system of status is a system of subjection to personal authority,—of prescription and class distinctions, and privileges and immunities; the system of constitutional government, especially as seen at its best among a people of democratic traditions and habits of mind, is a system of subjection to the will of the social organism, as expressed in an impersonal law. This difference between the system of status and the "constitutional system" expresses a large part of the meaning of the boasted free institutions of the English-speaking people. Here, subjection is not to the person of the public functionary, but to the powers vested in him. This has, of course, something of the ring of latter-day popular rhetoric, but it is after all felt to be true, not only speculatively, but in some measure also in practice.



The right of eminent domain and the power to tax, as interpreted under modern constitutional forms, indicate something of the direction of development of the political functions of society at a point where they touch the province of the industrial system. It is along the line indicated by these and kindred facts that the socialists are advancing ; and it is along this line that the later developments made necessary by the exigencies of industry under modern conditions are also moving. The aim of the propagandists is to sink the industrial community in the political community ; or perhaps better, to identify the two organizations ; but always with insistence on the necessity of making the political organization, in some further developed form, the ruling and only one in the outcome. Distinctly, the system of contract is to be done away with ; and equally distinctly, no system of status is to take its place.

All this is pretty vague, and of a negative character, but it would quickly pass the limits of legitimate inference from the accepted doctrines of the socialists if it should attempt to be anything more. It does not have much to say as to the practicability of any socialist scheme. As a matter of speculation, there seems to be an escape from the dilemma insisted on by Mr. Spencer. We may conceivably have nationalism without status and without contract. In theory, both principles are entirely obnoxious to that system. The practical question, as to whether modern society affords the materials out of which an industrial structure can be erected on a system different from either of these, is a problem of constructive social engineering which calls for a consideration of details far too comprehensive to be entered on here. Still, in view of the past course of development of character and institutions on the part of the people to which we belong, it is perhaps not extravagant to claim that no form of organization which should necessarily eventuate in a thorough-going system of status could endure among us. The inference from this proposition may be, either that a near approach to nationalization of industry would involve a régime of status, a bureaucracy, which would be unendurable, and which would there-

fore drive us back to the present system before it had been entirely abandoned ; or that the nationalization would be achieved with such a measure of success, in conformity with the requirements of our type of character, as would make it preferable to what we had left behind. In either case the ground for alarm does not seem so serious as is sometimes imagined.

A reversion to the system of free competition, after it had been in large part discarded, would no doubt be a matter of great practical difficulty, and the experiment which should demonstrate the necessity of such a step might involve great waste and suffering, and might seriously retard the advance of the race toward something better than our present condition ; but neither a permanent deterioration of human society, nor a huge catastrophe, is to be confidently counted on as the outcome of the movement toward nationalization, even if it should prove necessary for society to retrace its steps.

It is conceivable that the application of what may be called the "constitutional method" to the organization of industry—for that is essentially what the advocates of Nationalization demand—would result in a course of development analogous to what has taken place in the case of the political organization under modern constitutional forms. Modern constitutional government—the system of modern free institutions—is by no means an unqualified success, in the sense of securing to each the rights and immunities which in theory are guaranteed to him.

Our modern republics have hardly given us a foretaste of that political millennium whereof they proclaim the fruition. The average human nature is as yet by no means entirely fit for self-government according to the "constitutional method." Shortcomings are visible at every turn. These shortcomings are grave enough to furnish serious arguments against the practicability of our free institutions. On the continent of Europe the belief seems to be at present in the ascendant that man must yet, for a long time, remain under the tutelage of absolutism before he shall be fit to organize himself into an

autonomous political body. The belief is not altogether irrational. Just how great must be the advance of society and just what must be the character of the advance, preliminary to its advantageously assuming the autonomous—republican—form of political organization, must be admitted to be an open question. Whether we, or any people, have yet reached the required stage of the advance is also questioned by many. But the partial success which has attended the movement in this direction, among the English-speaking people for example, goes very far towards proving that the point in the development of human character at which the constitutional method may be advantageously adopted in the political field, lies far this side the point at which human nature shall have become completely adapted for that method. That is to say, it does not seem necessary, as regards the functions of society which we are accustomed to call political, to be entirely ready for nationalization before entering upon it. How far the analogy of this will hold when applied to the industrial organization of society is difficult to say, but some significance the analogy must be admitted to possess.

Certainly, the fact that constitutional government—the nationalization of political functions—seems to have been a move in the right direction is not to be taken as proof of the advisability of forthwith nationalizing the industrial functions. At the same time this fact does afford ground for the claim that a movement in this direction may prove itself in some degree advantageous, even if it takes place at a stage in the development of human nature at which mankind is still far from being entirely fit for the duties which the new system shall impose. The question, therefore, is not whether we have reached the perfection of character which would be necessary in order to a perfect working of the scheme of nationalization of industry, but whether we have reached such a degree of development as would make an imperfect working of the scheme possible.

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*Ithaca.*